Issue 62: INSIDER'S EDGE: Reasonable Compatibility Revisited

Welcome back, Insiders!

I first introduced "reasonable compatibility" waaay back in *Issue 13: INSIDER'S EDGE: You're the peanut butter to my jelly! Hello, Reasonable Compatibility*. Feels like a long time ago, doesn't it? Today, we're going to take a closer look at how reasonable compatibility works. As an added bonus, I've included a helpful guide you can print out or save to your files for future reference as an attachment.

As you may recall, reasonable compatibility is a new and important term for determining the income of the individual applying for health coverage. When a consumer applies, s/he provides income information on the application (referred to as attesting to his/her income). Income attestation is checked against federal and state data sources. The attested income is verified if the difference between attestation and data sources is reasonably compatible.
Attestation and data sources are considered reasonably compatible if the difference or discrepancy does not impact the eligibility of the consumer. In Maryland, we give a consumer 10% "wiggle room" between the amount s/he states as income and what our databases say is his/her income without asking for paper verification. This means that as long as a consumer's reported income is not more than 10% different than what our database indicates, his/her application can be approved.

There are three ways that reasonable compatibility is applied:

1. Simple income comparison
2. Detailed income comparison
3. Reasonable explanation

1. Simple income comparison

a) If both the attested and electronic income are above the applicable income standard, the individual is income-ineligible.

b) If both attested and electronic income are at or below the applicable income standard, the individual is determined eligible.

c) If attestation is above the Medicaid standard and data source is below the Medicaid standard, the consumer is ineligible for Medicaid, but may be eligible for a qualified health plan (QHP) with an advance premium tax credit (APTC) and cost-sharing reductions (CSRs).

If no electronic source is found, the state will accept attestation.

2. Detailed income comparison:

A detailed income comparison to determine the size of the discrepancy must be made if:

- The difference between attested income and income found in the electronic data sources is below the applicable standard, *and*
- The data sources indicate that the income is above the standard.

The income is verified if the difference between attested income and the income found in electronic data sources is less than or equal to 10% of 138% FPL for the appropriate household size.

<u>3. Reasonable explanation</u>

a) If the difference between attested income and electronic data sources is greater than 10%, the consumer will be asked for a reasonable explanation (e.g., s/he experienced a change in circumstances such that the electronic data sources do not accurately capture current monthly income).

b) If there is no reasonable explanation, Maryland will seek documentation from the consumer

That's it for today. Have a great weekend and don't forget to save the attachment to this e-mail in your files!

Questions? You know where to send them! E-mail me at dhmh.medicaidmarge@maryland.gov.